

Message Text

LIMITED OFFICIAL USE

PAGE 01 ACCRA 05902 211650Z
ACTION SP-02

INFO OCT-01 AF-10 ISO-00 SS-15 EB-08 /036 W
-----012584 211708Z /43

R 211031Z JUL 78
FM AMEMBASSY ACCRA
TO SECSTATE WASHDC 4699

LIMITED OFFICIAL USE ACCRA 5902

STADIS////////////////////////////////

FOR AF-MOOSE AND S/P - LAKE

E.O. 11652: N/A
TAGS: ECON, XA, GH, EAID

REF: STATE 164983

1. WE APPRECIATE THE OPPORTUNITY TO COMMENT ON THE DISCUSSION PAPER ON US ECONOMIC POLICY TOWARD AFRICA. IN THE LIGHT OF THE SITUATION IN GHANA, FOLLOWING ARE OUR COMMENTS:

2. THE INTERNATIONAL FINANCIAL INSTITUTIONS SUCH AS THE WORLD BANK GROUP CONTINUE TO FINANCE TRADITIONAL PROJECTS WITH A HIGH LEVEL OF LENDING IN INFRASTRUCTURE AND THE DEVELOPMENT OF ENERGY AND MINERAL RESOURCES IN AFRICA. REFTEL FAILS TO SET FORTH THE POLICY FRAMEWORK FOR THE IFI'S IN THE YEARS AHEAD AND THE ENVISAGED FUNCTIONAL DIVISION OF EFFORT BETWEEN THEM AND US BILATERAL ASSISTANCE ACTIVITIES. WE UNDERSTAND THE IFI'S ALREADY HAVE BEEN CHANGING THE SECTORAL COMPOSITION OF THEIR ACTIVITIES IN FAVOR OF PROJECTS WHICH DIRECTLY ADDRESS BHN CONCERNS. ADDITIONALLY, THEY ARE RESTRUCTURING MORE TRADITIONAL PROJECTS TO INSURE THAT THEIR BENEFITS ARE LIMITED OFFICIAL USE

LIMITED OFFICIAL USE

PAGE 02 ACCRA 05902 211650Z

SHARED MORE FULLY BY THE RURAL AND URBAN POOR. THE US HAS ENCOURAGED AND WELCOMED THESE CHANGES.

3. WHILE WE ARE AWARE OF LEGISLATIVE DIFFICULTIES IN REPLENISHING IDA (FOR WHICH GHANA IS NOT ELIGIBLE) WE ARE NOT AWARE OF CONSTRAINTS IN FINANCING VIABLE INFRASTRUCTURE ACTIVITIES BY THE IFI'S IN GHANA. AID ALREADY

HAS REQUESTED LEGISLATIVE AMENDMENTS TO CLARIFY ITS AUTHORITY TO EXPAND FUNDING OF RURAL INFRASTRUCTURE SUCH AS IRRIGATION FACILITIES, ELECTRIC POWER, AND ACCESS ROADS AND BRIDGES, WHICH HELP TO REDUCE TRANSPORTATION COSTS (FOR INPUT DELIVERY AND OUTPUT MARKETING), MAKE POSSIBLE MULTIPLE CROPPING AND IMPROVED PRODUCTION INCENTIVES FOR SMALL FARMERS.

4. US PARTICIPATION IN THE INTERNATIONAL COCOA AGREEMENT, PARAGRAPH 2A, REFTEL, WOULD SATISFY A LONG STANDING GHANAIAAN DESIRE. PRESUMABLY A NEW AGREEMENT WOULD ENCOURAGE PRODUCTION AND STABILIZE FOREIGN EXCHANGE RECEIPTS OVER THE LONG RUN. GHANA REMAINS HEAVILY DEPENDENT ON COCOA, HOWEVER, AND SHOULD DIVERSIFY THE SOURCES OF ITS EXPORT EARNINGS. A SINE QUA NON IS ADOPTING REALISTIC FISCAL AND MONETARY POLICIES WHICH WOULD MAKE ITS PRODUCTS COMPETITIVE AND ENCOURAGE THE INFLOW OF INVESTMENT CAPITAL. THERE ARE HOPEFUL SIGNS THAT WITH RECENT CHANGES IN THE GOVERNMENT, THE GOG WILL BE MOVING IN THIS DIRECTION.

5. WE ENDORSE AN EXPANDED GSP FOR LDC'S, ALTHOUGH THE MAIN BENEFICIARIES WILL REMAIN NON-AFRICAN STATES. HOWEVER, US DOMESTIC CONSIDERATIONS ARE LIKELY TO BE OVERRIDING AND ACTIONS TAKEN MAY BE INCONSISTENT WITH EFFORTS TO INCREASE DEVELOPING COUNTRIES' PARTICIPATION IN WORLD TRADE. IT IS IMPORTANT THAT TRADE POLICIES, TO THE LIMITED OFFICIAL USE

LIMITED OFFICIAL USE

PAGE 03 ACCRA 05902 211650Z

EXTENT POSSIBLE, SHOULD BE SUPPORTIVE OF U.S. DEVELOPMENT ASSISTANCE OBJECTIVES. WE COULD, WITH A FEW TRADE ACTIONS, SEVERLY LIMIT THE GROWTH POTENTIAL OF IMPORTANT ECONOMIC SECTORS OF THE LDC'S ECONOMY DEFEATING THE OBJECTIVES WHICH WE PURSUE IN OUR DEVELOPMENT ASSISTANCE PROGRAMS.

6. ALTHOUGH GHANA HAS A WELL-TRAINED LABOR FORCE, THE AID PROGRAM HAS LONG EMPHASIZED SPECIALIZED MANPOWER TRAINING.

7. HEALTH: DISEASES SUCH AS RIVER BLINDNESS AND SCHISTOSOMIASIS CONTINUE TO BE SERIOUS HEALTH PROBLEMS IN GHANA AND IMPEDE ECONOMIC DEVELOPMENT. WE AGREE THAT REGIONAL COOPERATION TO ELIMINATE THESE AND OTHER DISEASES SHOULD CONTINUE AND BE EXPANDED. WE ARE AWARE OF AID AND WHO PLANS IN THIS SECTOR WUCH AS IN ONCHOCERCIASIS CONTROL IN THE VOLTA RIVER BASIN.

8. GHANA IS RELATIVELY WELL ENDOWED WITH POTENTIAL AND INSTALLED HYDRO ELECTRIC RESOURCES BOTH FOR POWER AND IRRIGATION. THE COUNTRY'S SECOND LARGEST DAM, KPONG, IS NOW UNDER CONSTRUCTION AND THE STUDY FOR A THIRD, BUI,

ON THE BLACK VOLTA, HAS BEEN COMPLETED. GHANA'S ENERGY
BILL INCREASED FOUR FOLD WITH THE RISE IN OIL PRICES,
BUT PETROLEUM HAS BEEN DISCOVERED IN MODEST QUANTITIES,
ENCOURAGING OTHER FIRMS TO START EXPLORATION.
HOLMES

LIMITED OFFICIAL USE

NNN

Message Attributes

Automatic Decaptioning: Z
Capture Date: 01 jan 1994
Channel Indicators: n/a
Current Classification: UNCLASSIFIED
Concepts: POLICIES, ECONOMIC ASSISTANCE
Control Number: n/a
Copy: SINGLE
Draft Date: 21 jul 1978
Decaption Date: 20 Mar 2014
Decaption Note: 25 YEAR REVIEW
Disposition Action: RELEASED
Disposition Approved on Date:
Disposition Case Number: n/a
Disposition Comment: 25 YEAR REVIEW
Disposition Date: 20 Mar 2014
Disposition Event:
Disposition History: n/a
Disposition Reason:
Disposition Remarks:
Document Number: 1978ACCRA05902
Document Source: CORE
Document Unique ID: 00
Drafter: n/a
Enclosure: n/a
Executive Order: N/A
Errors: n/a
Expiration:
Film Number: D780300-0559
Format: TEL
From: ACCRA
Handling Restrictions:
Image Path:
ISecure: 1
Legacy Key: link1978/newtext/t19780735/aaaabdnv.tel
Line Count: 121
Litigation Code IDs:
Litigation Codes:
Litigation History:
Locator: TEXT ON-LINE, ON MICROFILM
Message ID: 8afc146f-c288-dd11-92da-001cc4696bcc
Office: ACTION SP
Original Classification: LIMITED OFFICIAL USE
Original Handling Restrictions: STADIS
Original Previous Classification: n/a
Original Previous Handling Restrictions: n/a
Page Count: 3
Previous Channel Indicators: n/a
Previous Classification: LIMITED OFFICIAL USE
Previous Handling Restrictions: STADIS
Reference: 78 STATE 164983
Retention: 0
Review Action: RELEASED, APPROVED
Review Content Flags:
Review Date: 26 apr 2005
Review Event:
Review Exemptions: n/a
Review Media Identifier:
Review Release Date: n/a
Review Release Event: n/a
Review Transfer Date:
Review Withdrawn Fields: n/a
SAS ID: 1932117
Secure: OPEN
Status: <DBA CHANGED> VJT 20041021
Subject: WE APPRECIATE THE OPPORTUNITY TO COMMENT ON THE DIS- CUSSION PAPER ON US ECONOMIC POLICY TOWARD AFRICA
TAGS: ECON, EAID, XA, GH, US
To: STATE
Type: TE
vdkgvwkey: odhc://SAS/SAS.dbo.SAS_Docs/8afc146f-c288-dd11-92da-001cc4696bcc
Review Markings:
Sheryl P. Walter
Declassified/Released
US Department of State
EO Systematic Review
20 Mar 2014
Markings: Sheryl P. Walter Declassified/Released US Department of State EO Systematic Review 20 Mar 2014